IN THE HIGH COURT OF KERALA AT ERNAKULAM

PRESENT :

THE HONOURABLE MR. JUSTICE THOTTATHIL B.RADHAKRISHNAN

TUESDAY, THE 30TH JANUARY 2007 / 10TH MAGHA 1928

WP(C).No. 2498 of 2007(V)

PETITIONER:

M/S.KALPAKA TOURIST HOME
REPRESENTED BY ITS MG.PARTNER
P.K. RAGHAVAN, NEAR RAILWAY STATION,
KOTTARAKKARA.

BY ADV. SRI.A.SUDHI VASUDEVAN

RESPONDENTS:
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1. THE KERALA FINANCIAL CORPORATION
REPRESENTED BY ITS MANAGING DIRECTOR
VELLAYAMBALAM, THIRUVANANTHAPURAM.

2. THE CHIEF MANAGER, THE KERALA
FINANCIAL CORPORATION, A.G.C. COMPLEX,
BEACH ROAD, KOLLAM-691 001.

BY ADV. SRI. .A.A. ABDUL HASSAN

THIS WRIT PETITION (CIVIL) HAVING COME UP FOR ADMISSION ON 30/01/2007, THE COURT ON THE SAME DAY DELIVERED THE FOLLOWING:

Thottathil B. Radhakrishnan, J.

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W.P.(C)No.2498 of 2007

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Dated this the 30th day of January, 2007.

JUDGMENT

Petitioner is a debtor of the first respondent, Kerala Financial Corporation. In spite of repeated demands, the amounts due to the KFC, as of now, is around an amount of rupees one crore.

2. This writ petition is filed essentially to buy more time to enable the petitioner to enter into private transactions and thereby sell off either the collateral securities or otherwise liquidate the outstandings.

3. On the one hand, the interest of the first respondent, a statutory financing agency, has to be ensured because it deals with public funds. On the other hand, the action taken by the first respondent can also be regulated in the sense that the petitioner can work out his ways and means within a reasonable framework to liquidate the outstandings and save

whatever he can in the process.

4. Having heard the learned counsel for the petitioner and the learned counsel for the respondents in extenso, the following directions are issued:

(i) The respondents will be at liberty to advertise the sale of hypotheca in relation to the loan, including the collateral securities, however scheduling the sale on any date beyond four months from today.

(ii) In the meanwhile, if the petitioner comes up with appropriate purchasers, who will provide funds for any portion of the hypotheca to the satisfaction of the respondents, the respondents will consider any request of the petitioner to release the collateral securities which still remain with them for the Corporation to ensure that the consideration flows into the first respondent in discharge of the debt.

(iii) If the entire debt is not wiped off within a period of four months as aforesaid, the respondents will be at liberty to sell all or any among the parcels which

are available with them and they are entitled to sell it in terms of law.

(iv) If the collaterals are sold off in the meanwhile, the respondents will make an endeavour to sell such portion of the land where the hotel building stands, if possible, exclude the hotel building from the sale. However, this direction will depend upon the viability of the situation as may be decided upon by the first respondent. It is clarified that the time frame fixed above shall not be extended under any circumstances.

Thottathil B.Radhakrishnan,
Judge.

sl.